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C O N F I D E N T I A L SAN SALVADOR 000888

SIPDIS

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TAGS: <u>PGOV PREL KDEM ASEC HO ES</u>

SUBJECT: GOES BACKS USG HONDURAS STRATEGY

Classified By: Charge d'Affaires, for reasons 1.4 (b) and (d)

11. (C) Summary: During a September 15-16 visit to San Salvador, WHA Deputy Assistant Secretary (DAS) Bisa Williams met with Foreign Minister Hugo Martinez; President Funes' Private Secretary, Francisco Caceres; and Armando Arias, President of the American Chamber of Commerce, to gauge support for USG efforts to resolve the political crisis in Honduras. In their meeting, Martinez notified DAS Williams that the GOES would support an upcoming UNGA resolution to condemn the U.S. embargo on Cuba. DAS Williams also gave a television interview on a local morning news program in which she highlighted USG steps to push both sides of the Honduran crisis toward the San Jose Accord. End Summary.

AMCHAM PRESIDENT: I DON'T TRUST MEL

¶2. (C) During a working breakfast, Armando Arias, President of the American Chamber of Commerce and an influential businessman with close ties to the private sector in Honduras, frankly described to DAS Williams his concerns regarding U.S. policy toward Honduras. Arias said that while he understood the need for the U.S. to support restoring Zelaya to power on principle, he said he strongly believed that in practice, the U.S.-sponsored &vigorous verification regime8 would be unable to contain prospective Zelaya actions to influence the upcoming presidential elections. Arias expressed a deep mistrust of Zelaya's &leftist8 allies, and said he was confident Venezuela and Nicaragua would conspire with Zelaya to rig the elections or engineer a way to keep Zelaya in power. Arias predicted the rest of Latin America would be unwilling to follow the U.S. lead to take on Zelaya if he reneged on the San Jose Accord. DAS Williams urged Arias to consult with his private sector contacts in Honduras to garner support for the U.S. position, noting that the coup against Zelaya must not be viewed as a precedent for the region. She likewise asked that Arias continue to work with the Salvadoran private sector to support President Funes as he seeks to enact sound economic reforms and improve El Salvador's security environment.

FM MARTINEZ: GOOD ON SAN JOSE; BAD ON UNGA/CUBA EMBARGO

13. (C) Foreign Minister Hugo Martinez expressed support for U.S. efforts to pressure the Honduran de facto government to sign the San Jose Accord. Martinez worries that if elections are held as scheduled without a prior restoration of democratic order, the region could be split between countries that recognize the newly elected regime and those that do not. He said the GOES would not recognize a new government without an OAS and/or EU observer mission to verify a free and fair election. According to Martinez, the GOES strategy is aimed entirely at pushing both sides to sign the San Jose Accord.

- ¶4. (C) Martinez characterized GOES relations with both Zelaya and the de facto government as "irregular." Talks with the de facto government have been limited to rudimentary trade matters, he said, while discussions with Zelaya's FM Rodas have been infrequent and generally unproductive. Martinez also noted that the GOES is paying close attention to its border with Honduras, given that in previous times of domestic turmoil the Honduran government has provoked conflicts there to deflect attention from internal problems.
- 15. (C) Martinez offered GOES support for a Guatemalan proposal to hold a Central American private sector summit on Honduras. However, he cautioned that certain conditions should be set to prevent the meeting from being misused by supporters of the de facto government. He noted that in a similar post-coup meeting some Honduran businessmen spun the event as evidence of support for the de facto regime in the region. Martinez worried that the de facto regime or its supporters in the private sector could try to hijack the Guatemala meeting or just use it as a stalling tactic. Martinez also offered to help the USG arrange a "verification commission" to ensure that the San Jose Accord is implemented once it is signed.
- 16. (C) At the end of the meeting, Martinez stated that the GOES would support the upcoming UNGA resolution to condemn the U.S. embargo on Cuba, thereby changing the GOES vote (abstention) from previous years. However, Martinez was surprised to learn from the Charge that the USG was Cuba's fifth largest trading partner and its primary source of food imports. DAS Williams added that the U.S. had recently restarted discussions on migration with the Cuban government and that she was headed to Cuba that same day to explore the possibility of reopening direct mail from the U.S. to Cuba. Martinez said he had not seen news about these meetings in the press and suggested that measures taken by the USG to improve communication between Cuba and the U.S. could be reflected in the GOES's Explanation of Vote on the embargo resolution.

CACERES: THE RISK OF REVENGE AND THE CRAZY HONDURAN FM

17. (C) President Funes' Private Secretary, Francisco Caceres, echoed FM Martinez's support for the verification commission and the private sector meeting in Guatemala. Caceres said that the pro-coup sentiment expressed earlier by the Honduran private sector may have waned in light of the economic troubles they now face as a result of the country, s international isolation. He noted the GOES is concerned that if/when Zelaya is returned to power he might seek revenge on those responsible for his exile. He cautioned that Zelaya's transition back to power should be carefully orchestrated and controlled to prevent such reprisals.

- ¶8. (C) According to Caceres, Honduran FM Patricia Rodas is a serious obstacle to achieving the San Jose Accord. He called her a "Chavista radical" that has used the publicity of the political crisis to pursue her own presidential ambitions. He suggested she be separated from Zelaya in order to move the San Jose Accord process forward. Caceres recommended holding a private meeting alone with Zelaya at a neutral site in order to isolate him from the negative influence of Rodas. He believes Zelaya would be amenable to such a private meeting.
- 19. (C) Comment: The GOES continues to show strong support for the USG approach to the crisis in Honduras. The Funes Administration's lukewarm embrace of Zelaya and its willingness to talk at a technical level with the de facto government is pragmatic given the geographic and economic ties El Salvador shares with Honduras. In the process, Funes has drawn closer to Guatemalan President Colom and FM Martinez to Costa Rican FM Stagno. End Comment.
- 110. (U) This message has been cleared by DAS Williams.